



MINNESOTA RIVER BOARD

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Vacant
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Bill Groskreutz, Jr.
Second Vice-Chair
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36 4th Avenue SW
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Date: Monday, September 30, 2013

Time: 8:00 a.m. Executive Committee
9:00 a.m. Full Board

Location: Henderson Community Center
Henderson Community Room
600 Main Street
Henderson, MN 56044

AGENDA

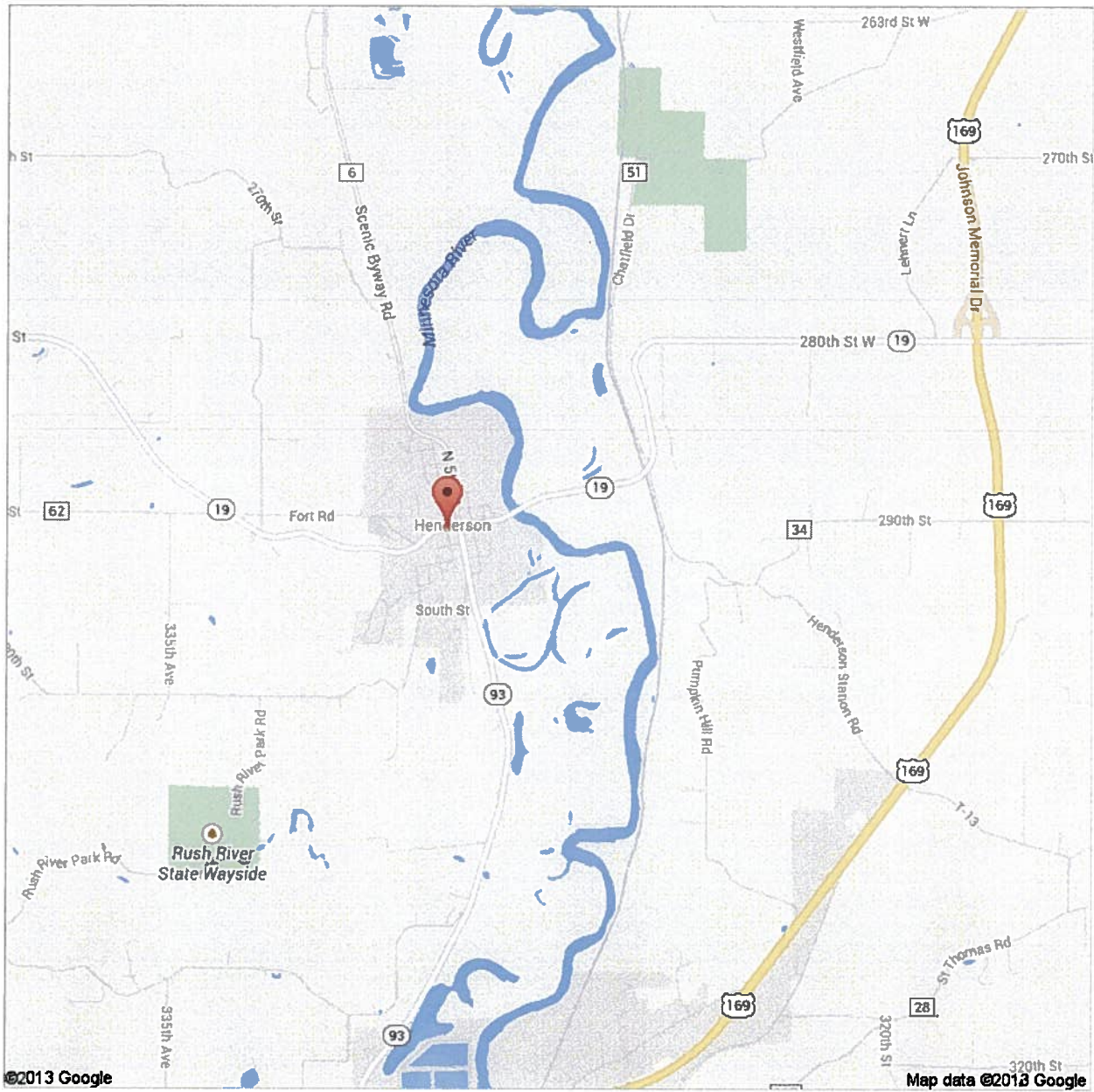
1. **Call Meeting to Order** Chair Schueller
2. **Roll Call**
3. **Approval of Agenda**
4. **Agency, Citizen, City, County, and Watershed Updates**
5. **Minutes** Full Board Vote
Full Board (7/15/13)
Executive Committee (7/15/13)
6. **Financials** Full Board Vote
Status Report
7. **Director Updates**
8. **MN River Organizational Options Discussion**
Director Fisher, Doug Thomas (Senior Policy & Program Advisor, BWSR)
and Chair Schueller
9. **Adjourn** Chair Schueller

Next MRB Meeting:
November 18, 2013
Sibley County Service Center
Gaylord, MN
(tentative)



Address **600 Main St**
Henderson, MN 56044

MRB Meeting
9/30/13



MINNESOTA RIVER BOARD
Executive Committee Meeting
Unapproved Minutes: July 15, 2013
Sibley County Service Center, Gaylord, MN

Present: John Schueller, Bill Groskreutz, Jr., Drew Campbell, and Paul Setzepfandt

Dr. Shannon Fisher, Executive Director and Christina Stueber, MRB
Student Research Assistant

Call to Order: The meeting was called to order at 8:05 a.m.

Agenda: No changes were made to the agenda. Drew Campbell motioned to approve agenda. Bill Groskreutz, Jr. seconded; motion carried.

Minutes: Bill Groskreutz, Jr. made a motion to approve the Executive Committee minutes from 5/20/13. Drew Campbell seconded the motion; motion carried. Drew Campbell recommended to approve the Full Board minutes from 5/20/13. Paul Setzepfandt seconded the motion; motion carried.

Financials: The financials were reviewed and discussed. Shannon Fisher announced that there are expenses that still need to be added. The FY 2014 budget was discussed, \$14,952 in operating money needed for half the year. The committee decided that another letter needed to be sent out to the counties clarifying the bill. Counties are asked to budget the full amount, but are only billed for half the year at this time. The need to ask if there are any counties that aren't planning on paying the full dues for FY14 was discussed.

Drew Campbell made a motion to approve the financials. Paul Setzepfandt seconded the motion; motion carried.

Continuing and New Business: Discussion on the restructuring and financial plan was held. It was discussed that two options are available: fold, or "The Big Idea" (\$8.0 Million). Chair Schueller and Director Fisher discussed the similarities in tax calculations for funding. The topic of restructuring, taxing, etc. will be discussed at the Full Board meeting needing input from the delegates.

Discussion was held regarding the future of MRB projects. The board is not gaining in-directs from the projects going on right now and Director Fisher suggested transferring some to the WRC. The topic was decided to be discussed during the Full Board meeting.

Additional discussion was held on the direction of the board and suggestions on the handful of items to finish with available funds.

Adjourn: Meeting adjourned at 8:55 a.m.

Respectfully Submitted:
Christina Stueber
MRB Student Research Assistant

MINNESOTA RIVER BOARD
Full Board Meeting
Unapproved Minutes: July 15, 2013
Sibley County Service Center, Gaylord, MN

PRESENT – BOARD MEMBERS: Drew Campbell, Blue Earth; Dave Nordaune, Chippewa; John Oeltjenbruns, Cottonwood; Bill Groskreutz, Jr., Faribault; Glen Mathiason, Freeborn; Ellen Sones, Hennepin; Harlan Madsen and Doug Reese, Kandiyohi; DeRon Brehmer, Lac qui Parle; Steve Flohrs, Martin; John Giese, Murray; Bruce Beatty and James Stenson; Nicollet; Victoria Reinhardt, Ramsey; John Schueller, Redwood; Joy Cohrs, Sibley; Ron Staples and Donny Wohlers, Stevens.

Shannon Fisher, Executive Director.

PRESENT – AGENCY, CITIZEN, COUNTY, WATERSHEDS: Les Everett, UM Water Resources Center; John Boulton, YMRWSD; Jeff Nielson, BWSR; Ted Suss, MN River Watershed Alliance; Cathi Fouchi, DNR; Patrick Moore, River Artisan; Dennis Potter, Brown County; Jessica Nelson, WRC Student Research Assistant; Christina Stueber, MRB Student Research Assistant; Darrel Ellefson, Lac qui Parle-Yellow Bank Watershed District; John Jaschke, BWSR; Scott Sparlin, CCMR; Larry Gunderson, MPCA; Kathryn K. Kelly, Renville County SWCD; Terry Schwalbe, LMRWD; Forrest Peterson, MPCA.

Call to Order: Chair John Schueller called the meeting to order at 9:07 a.m.

Roll Call: Twelve (12) counties were present; a quorum was reached.

Approval of Agenda: Chair Schueller requested the following changes:

- Add MRB Restructuring and Funding Plan discussion

Harlan Madsen made a motion to approve the agenda with the requested changes. John Oeltjenbruns seconded the motion; motion carried.

Agency, Citizen, County and Watershed Updates:

Larry Gunderson, MPCA – The MPCA is in the process of drafting a sediment reduction strategy for the Greater MN River Basin. A nitrogen study is also being developed for nutrient reduction.

Jeff Neilson, BWSR – Applications for Clean Water Fund(s) are opening in September; be sure to talk to staff about future projects. Jeff stated to watch for announcements if interested in more information. It was stressed that the driver for county water plans funding is based on the projects ability to “prioritize and target measureable outcomes”.

Approval of Minutes: Joy Cohrs made a motion to approve the Full Board minutes from 5/20/2013. John Giese seconded the motion; motion carried.

Approval of Financials: Drew Campbell discussed that the financials presented would include an additional \$8,000 - \$9,000 in travel and labor expenses. He also added that Shannon is developing a strategic budget through January 2014. There was a discussion/update on the dues request. Drew Campbell discussed sending out a letter to currently paying Board members for half year dues. There was clarification needed on the topic, the request is just for half of the years dues but to allocate a full years dues in their budgets. Glen Mathiason motioned to approve the financial report. Dave Nordaune seconded the motion; motion carried.

Guest Presentations:

Patrick Moore – Patrick Moore introduced himself as the former Executive Director of CURE and is now associated with “riverartisan.com”. He is now a small town river artisan providing civic engagement consulting with a goal to create watershed consciousness. Patrick has been working in conjunction with the Water Resources Center (MSU) and the MPCA in the Le Sueur River Watershed to develop draft recommendations from the public standpoint. A series of meetings were coordinated with citizens to discuss the status of the watershed now and where they would like it to be in the future.

Two premises that were discussed included: the government has to have consent of the governed in order to really enforce issues, and the general public doesn't care about the scientific facts unless action can be taken. He stated that we need to focus on implementation that is already in the watershed and we know is working. For discussion and suggestions, Patrick stated that we need:

- More storm water management and more in-ditch storage
- More experimentation and demonstration with temporary water storage
- More strategically placed buffers and more terraces and grass waterways
- More communication and education among watershed residents
- Less red tape to limit coordination between landowners and agencies
- More river channel maintenance of major snags (bank erosion or major obstructions)
- and More stream bank and ravine stabilization

This approach focuses on what we are already doing and what is already happening across the watershed, but saying “we need more!”

The Board presented Patrick Moore with the Minnesota River Tributary Award for 2013.

MN River Blueway Work Group – This group consists of Ted Suss, a private citizen; Scott Sparlin, Executive Director of CCMR; Cathi Fouchi, MN DNR; and Patrick Moore, River Artisan. They discussed what a Blueway is, the vision and goals of the group, nomination process for the Minnesota River Watershed, and the role of the Minnesota River Board. The group stressed that this program is completely voluntary so the criteria is present to have strong partnerships. The group stated that they will have twelve meetings across the Minnesota River Basin to spread the word. The meetings will be open for everyone who is passionate and interested in the process.

The Board presented the MN River Blueway Group with the Minnesota River Confluence Award for 2013.

Staff Updates:

Executive Director Update – Director Fisher provided an update on the Water Storage Forum to be held in January 2014. Discussion was held on the positive outcomes of the previous conference held in January 2012. Participants have been recruited and announcements will be made in early fall.

Director also offered an update on the Lake Pepin Legacy Alliance initiative. Shannon, Harlan Madsen, Scott Sparlin, and Cathi Fouchi discussed the approach and method in order to get honest cooperative help from counties (reduce anonymity) at a previous meeting. The term “Score Card” that is being used is not appreciative and should be changed. The group stated they were meeting again on Thursday July 18th, to review their script for the meetings.

Student Research Assistant(s) – Christina Stueber provided a brief update on the Bi-annual Progress Report. This project is in the opening stages with a vision of being an addition to the 2010 report done by Scott Kudelka. The report would summarize water quality initiatives and

efforts that started or were completed during July 2010 – December 2012 in the Minnesota River Basin. Useful graphics on BMP implementation density using eLINK data would also be created for the basin. Christina also gave an update on the Redetermination of Benefits project regarding public drainage systems in the basin. With 80% of the data collection complete, the project is in the data verification stages.

Jessica Nelson discussed the progress of creating a Nutrient Communication Tool. She stated that the MN watersheds are one of the largest contributors to the Dead Zone in the Gulf of Mexico. The creation of this tool would help determine what can be done within each watershed to minimize impacts. A brochure was distributed with more information to those at the meeting.

Continuing and New Business:

Viewer Training Update – Chair Schueller provided an update on the progress of the ditch viewer course through Ridgewater College. The timeline is still setting the course opening for early 2014. The time for the course was discussed to be around 30-40 hours and a possible location for the Willmar campus. Shannon questioned the remaining funds needed and that it could be covered by 2 or 3 more \$1,000.00 contributors. The course would be open to anyone interested and many current viewers are interested in taking the course. The curriculum is going to be developed with a consensus among multiple counties with recognition that a standard form is needed for the viewing process.

Restructuring and Funding Plan – Director Fisher went over the information that was presented at the May meeting in Le Sueur and what changes were discussed. Added to the restructure was the generation of local revenue to leverage state, federal, and private funding. The operations structure did not change from the previous meeting that encompassed 29 representatives; including 13 elected officials, 13 appointed individuals and 3 regional individuals. Shannon stressed that this structure needs to be able to retain quality staff in order to maintain and build relationships. A discussion was held on the direction of financials and the choices between a county referendum or a state legislative option. The state option would allow the board to tax, and would provide a method to gather local revenue. The state option would also be feasible for the next session. There was a consensus to move forward with the state option between the board members.

Future of the MRB Projects – Director Fisher requested the power to allocate projects elsewhere to reduce cost. Drew Campbell motioned to approve Shannon to be able to move the projects. Bill Groskreutz, Jr. seconded the motion; motion carried.

MRB FY14 Budget – Shannon asked for approval on the budget for July 1st – January 2014 using the half-year dues from members. Bruce Beatty made a motion to approve the FY 14 budget. Ron Staples seconded the motion; motion carried.

Adjourn: The next meeting was moved to the 5th Monday in September (Glen Mathiason motioned to move the meeting, seconded by Bruce Beatty; motion carried) – venue to be determined at a centralized location. Chair Schueller adjourned the meeting at 12:35 p.m.

Respectfully Submitted:

Christina Stueber and Jessica Nelson
MRB/WRC Student Research Assistants

MINNESOTA RIVER BOARD

Partial FY14 Budget

7/1/13 - 1/31/14

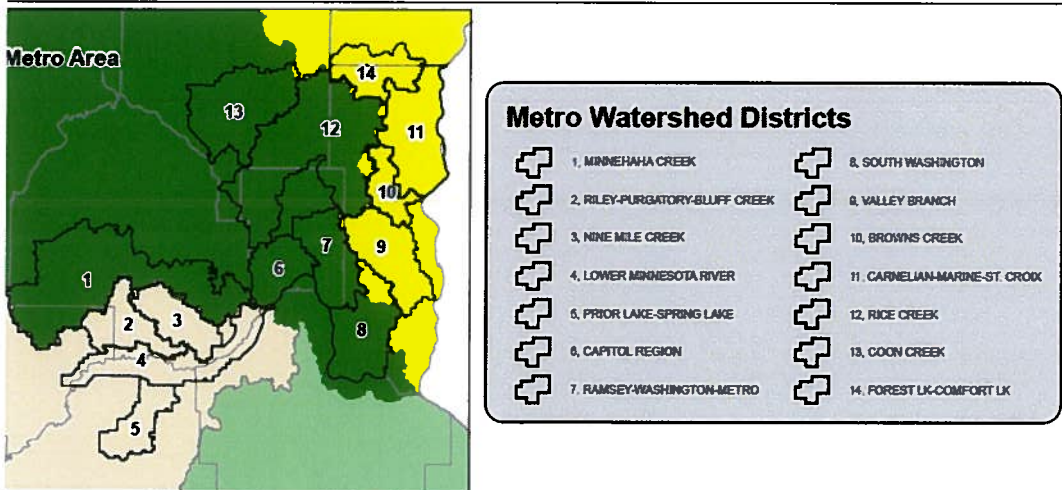
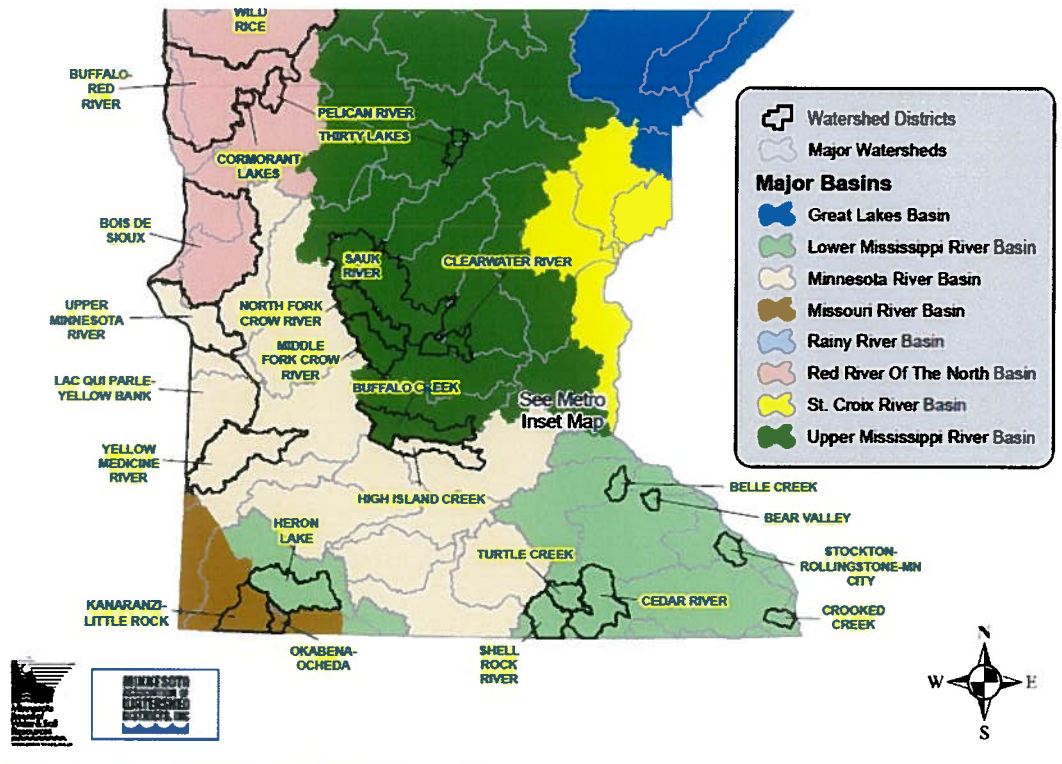
	TOTAL BUDGET	BUDGET	COUNTY	
			YTD ACTUAL	VARIANCE
<u>INCOME</u>				
FUNDS CARRIED FORWARD	14,925.00	14,925.00	19,723.59	(4,798.59)
STATE OF MN - BWSR GRANT	0.00	0.00	0.00	0.00
COUNTY DUES COLLECTION	16,448.00	16,448.00	10,904.50	5,543.50
MCIT INSURANCE REFUND (EST)	2,398.00	2,398.00	0.00	2,398.00
CONFERENCE REGISTRATIONS	10,000.00	10,000.00	0.00	10,000.00
TOTAL INCOME	43,771.00	\$ 43,771.00	\$ 30,628.09	\$ 13,142.91
<u>EXPENSES</u>				
0.33 FTE EXEC DIRECTOR	21,280.00	21,280.00	0.00	21,280.00
STUDENT WORKER(S)	4,895.00	4,895.00	0.00	4,895.00
MCIT INSURANCE	3,492.00	3,492.00	0.00	3,492.00
MRB MEETING EXPENSES	300.00	300.00	42.60	257.40
COMMUNICATIONS	119.00	119.00	0.00	119.00
TRAVEL	1,891.00	1,891.00	640.72	1,250.28
PRINTING	770.00	770.00	0.00	770.00
AWARDS/STUDENT INCENTIVES	280.00	280.00	51.03	228.97
SUPPLIES/EQUIPMENT/MAINTENANCE	250.00	250.00	40.00	210.00
LEGAL RETAINER	2,400.00	2,400.00	100.00	2,300.00
MN RIVER BASIN BOARD STEERING COMM.	400.00	400.00	0.00	400.00
MSU CONTRACT INDIRECT COSTS (8%)	2,094.00	2,094.00	0.00	2,094.00
OUTREACH/PROGRAMMING***	5,600.00	5,600.00	0.00	5,600.00
TOTAL EXPENSES	43,771.00	\$ 43,771.00	\$ 874.35	\$ 42,896.65
REMAINING (INCOME LESS EXPENSES)			\$ 29,753.74	

Minnesota River Basin Organizational Options Discussion Paper

Assumptions:

- A new basin-level entity would be substantively different than the current model
- The governing body would be based on representation from the major watersheds
- Board inclusive of counties, SWCDs, WD/WMOs, Municipals, and Private/Non-Profit Partners
- Uses current concept of per household/per parcel charge (alternative is ad valorem)
- Collection of funds accomplished by local government
- Watershed entity presence in all major watersheds, with watershed plan
- Established and mandated in whole or in part by law

Current watershed and watershed entity boundary map



Summary of potential options

The following option descriptions are high level and stay out of the weeds in regards to the procedural details. There are numerous examples of specific authorities that the legislature has previously agreed to, and which can be found in the summary of authorities and regional entity authorizations. Thus no real need to create a new process from scratch.

Option 1a – basically funds a basin entity (hereafter referred to as the “Entity”) through a process of budgeting and certification to the member counties, along with requiring the establishment of “x” number of watershed entities (TBD) within the basin from which the Entity would be composed of and for which watershed management plans would be developed (aka, one watershed one plan). This model raises funds primarily for the Entity but could be expanded. Funds would be generated through new ad-valorem levy authorization to the counties. Funding of local program and projects would remain the same. Special tax district authority would be needed to ensure that portions of counties outside the basin are not taxed. Options 1a & 1b assume an all or nothing approach regarding county participation.

Option 1b – same as 1a except funds would be generated through establishment of water management districts and collection of a stormwater fees by member counties. Also allows non-basin portions of counties to be excluded from fees.

Option 2 – Shifts the emphasis from a model that starts with the Entity to one that is a watershed-based planning and implementation scheme in the basin with Counties, SWCDs, and WD/WMOs as the primary LGUs. The Entity continues to exist largely for the original purposes identified in statute. It would be funded through a budgeting and certification process similar to Option 1. This option also mandates the formation of watershed entities and gives new fiscal authorities to SWCDs and Counties to prepare plans and carry out an array of plan-based implementation activities. This option expands the ability of Counties and SWCDs to carryout programs and projects necessary to achieve the resource objectives in the watershed management plan. It would come with a failure to implement provision similar to what is found in the metro counties.

Option 3 – Starts with Option 2 (which supports Entity-base functions) with an additional Entity authority similar to the Red River Watershed Management Board that would be collected by the Counties. The amount established by the Entity, not to exceed a legislative cap, would be designated for larger capital improvement projects such as large bank stabilizations in the basin. A project selection process would be established and used to select projects.

Option 4 – current model as being proposed (Entity centric) and would authorize the Entity, by statute, to raise funds through a levy authority, collected by the counties. Distribution would be done per current proposal (i.e., proposal as presented at the last MRB meeting).

Tax vs. fee considerations – the current proposal suggests a fee, however it could be ad-valorem based in that the per-household/per-acre fee could be calculated for each county and turned into a set dollar amount which could then be collected through an ad-valorem tax.

A fee based system collected locally has the advantage of being 1) more equitable, as it not based on value, 2) could account for different land uses of a parcel such as cropped, forested, grassland, etc., 3) can include incentives for conservation through a credit system.
